

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1195 be amended to read as follows:

- 1 Page 1, line 12, after "organization" insert ",".
- 2 Page 5, between lines 32 and 33, begin a new paragraph and
- 3 insert:
- 4 "SECTION 2. IC 34-18-5-2 IS AMENDED TO READ AS
- 5 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. (a) As used in this
- 6 section, "actuarial program" means a program used or created by the
- 7 department to determine the actuarial risk posed to the patient
- 8 compensation fund under IC 34-18-6 (or IC 27-12-6 before its repeal)
- 9 by a hospital. The program must be:
- 10 (1) developed to calculate actuarial risk posed by a hospital,
- 11 taking into consideration risk management programs used by the
- 12 hospital;
- 13 (2) an efficient and accurate means of calculating a hospital's
- 14 malpractice actuarial risk;
- 15 (3) publicly identified by the department by July 1 of each year;
- 16 and
- 17 (4) made available to a hospital's malpractice insurance carrier
- 18 for purposes of calculating the hospital's surcharge under
- 19 subsection (g).
- 20 (b) Beginning July 1, 1999, the amount of the annual surcharge
- 21 shall be one hundred percent (100%) of the cost to each health care
- 22 provider for maintenance of financial responsibility. Beginning July 1,
- 23 2001, the annual surcharge shall be set by a rule adopted by the
- 24 commissioner under IC 4-22-2.

(c) The amount of the surcharge shall be determined based upon actuarial principles and actuarial studies and must be adequate for the payment of claims and expenses from the patient's compensation fund.

(d) The surcharge **for a qualified provider other than a:**

(1) physician licensed under IC 25-22.5; or

(2) hospital licensed under IC 16-21;

may not exceed the actuarial risk posed to the patient's compensation fund under IC 34-18 (or IC 27-12 before its repeal) by ~~a qualified providers:~~ **provider other than a physician licensed under IC 25-22.5 or a hospital licensed under IC 16-21.**

(e) There is imposed a minimum annual surcharge of one hundred dollars (\$100).

(f) Notwithstanding subsections (b), (c), and (e), beginning July 1, 1999, the surcharge for a qualified provider who is licensed under IC 25-22.5 is calculated as follows:

(1) The commissioner shall contract with an actuary that has experience in calculating the actuarial risks posed by physicians. Not later than July 1 of each year, the actuary shall calculate the median of the premiums paid for malpractice liability policies to the three (3) malpractice insurance carriers in the state that have underwritten the most malpractice insurance policies for all physicians practicing in the same specialty class in Indiana during the previous twelve (12) month period. In calculating the median, the actuary shall consider the:

(A) manual rates of the three (3) leading malpractice insurance carriers in the state; and

(B) aggregate credits or debits to the manual rates given during the previous twelve (12) month period.

(2) After making the calculation described in subdivision (1), the actuary shall establish a uniform surcharge for all licensed physicians practicing in the same specialty class. This surcharge must be based on a percentage of the median calculated in subdivision (1) for all licensed physicians practicing in the same specialty class under rules adopted by the commissioner under IC 4-22-2. The surcharge:

(A) must be sufficient to cover; and

(B) may not exceed;

the actuarial risk posed to the patient compensation fund under IC 34-18-6 (or IC 27-12-6 before its repeal) by physicians practicing in the specialty class.

(g) Beginning July 1, 1999, the surcharge for a hospital licensed under IC 16-21 that establishes financial responsibility under IC 34-18-4 after June 30, 1999, is established by the department through the use of an actuarial program. At the time financial responsibility is established for the hospital, the hospital shall pay the surcharge amount established for the hospital under this section. The

- 1 surcharge:
2 (1) must be sufficient to cover; and
3 (2) may not exceed;
4 the actuarial risk posed to the patient compensation fund under
5 IC 34-18-6 by the hospital.
6 (h) An actuarial program used or developed under subsection (a)
7 shall be treated as a public record under IC 5-14-3.".
8 Renumber all SECTIONS consecutively.
(Reference is to HB 1195 as printed January 27, 1999.)

Representative Fry